

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ATMOS)	
ENERGY CORPORATION FOR)	CASE NO. 2004-00121
APPROVAL OF A PERMANENT)	
METER SAMPLING TEST PROGRAM)	

O R D E R

On August 24, 1999, the Commission approved a statistical sample gas meter test plan for Atmos Energy Corporation ("Atmos") as a 5-year pilot and directed Atmos to file annual reports providing the results of the plan and to file a final evaluation and analysis of the plan no later than April 1, 2004.¹ On March 31, 2004, Atmos filed the required final evaluation and requested authority to continue the statistical sample gas meter test plan on a permanent basis and authority to deviate from 807 KAR 5:006, Section 25(5)(b).

Atmos's plan is based on American National Standard for Sampling Procedures and Tables for Inspection by Attributes that corresponds to ANSI/ASQC Z1.4-1993. Atmos asserts that the test plan has been safe and cost effective. It states that the plan has allowed Atmos to reduce the number of meters changed by 50 percent and to reduce the cost of meter testing by an average \$335,000 per year. Atmos contends that the results of the test plan support continuation.

¹ Case No. 1999-00059, The Application of Western Kentucky Gas Company, a Division of Atmos Energy Corporation, for Approval of a Statistical Sample Meter Test Plan for Positive Displacement Meters Pursuant to 807 KAR 5:022, Section 8(5)(c).

807 KAR 5:006, Section 25(5)(b), requires all residential customer service regulators, vents, and relief valve vents to be checked for satisfactory operation at intervals not to exceed the periodic meter test intervals. Atmos proposes to inspect gas regulators for proper delivery pressure and proper lock off when a customer's meter is changed under the sample plan. Atmos states that 100 percent of the regulators on its system are located outside customers' premises and are designed to provide full capacity internal relief in the event of malfunction. Atmos states that its regulators have the smallest available orifice, 1/8 inch, on the inlet side and that, in the event of a failure, the maximum pressure that gas could enter a customer's piping would be 1.5 psig. Atmos further states that utility personnel routinely visit every customer's property for meter reading and leak surveys and would be able to detect a malfunctioning regulator.

Having considered Atmos's requests and being otherwise sufficiently advised, the Commission finds that the statistical sample meter test plan adopted by Atmos and approved by the Commission for a pilot period of 5 years should be approved on a permanent basis. The Commission further finds that Atmos has provided sufficient evidence to support its request to inspect its service regulators in accordance with the meter test intervals in the statistical sample meter test plan. Atmos should continue to file annual reports with the Commission regarding its meters, including the test results of each control group, an evaluation of the data, a description of any corrective action taken, and any savings realized. Additionally, Atmos should provide test results, data evaluation, and any corrective action pertaining to the testing of regulators.

IT IS THEREFORE ORDERED that:

1. Atmos's request to continue the statistical sample meter test plan approved by the Commission in Case No. 1999-00059 on a permanent basis is granted.
2. Atmos's request to deviate from 807 KAR 5:006, Section 25(5)(b), is granted.
3. On or before April 1, 2005, Atmos shall file an annual report for the statistical sample meter test plan as described herein and shall continue to file such reports until further Order of the Commission.

Done at Frankfort, Kentucky, this 12th day of October, 2004.

By the Commission

ATTEST:



Executive Director